

Benchmarking Analysis

**Mercer 2005 National Survey
of Employer-Sponsored Health Plans**

Washington Fire Commissioners Association

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BENCHMARKING ANALYSIS

The enclosed *Benchmarking Analysis* report compares Health Plan costs and benefit features* for the following Employer categories:

Washington State	~ Washington State - Large Employers (with 500 or more employees)
State Government	~ Nationwide - All State Employers (with 500 or more employees)
County Government	~ Nationwide - All County Employers (with 500 or more employees)
City Government	~ Nationwide - All City Employers (with 500 or more employees)
Washington Government	~ Washington State - Governmental Employers of all Size

* Based on Mercer 2005 National Survey of Employer-Sponsored Health Plans

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BENCHMARKING ANALYSIS

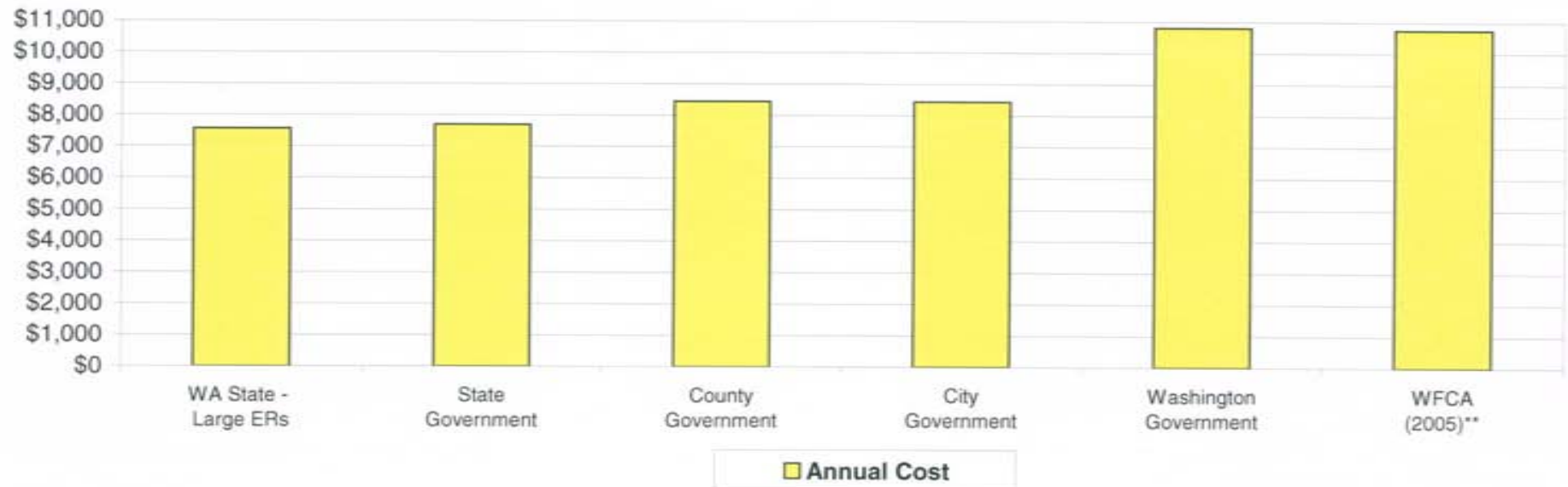
2005 ~ AVERAGE HEALTH* BENEFIT COST PER ACTIVE EMPLOYEE

<u>Health Benefits*</u>	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005)**
<i>Annual Cost</i>	\$7,569	\$7,706	\$8,459	\$8,447	\$10,818	\$10,754
<i>Per Month</i>	\$631	\$642	\$705	\$704	\$902	\$896

* Health Benefit includes Claims and Administrative cost for Medical, Prescription, Vision, and Dental Benefits.

** WFCA cost includes Self-funded Medical/Rx/Vision plan and WDS Dental plan premium (does not include HMO)

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



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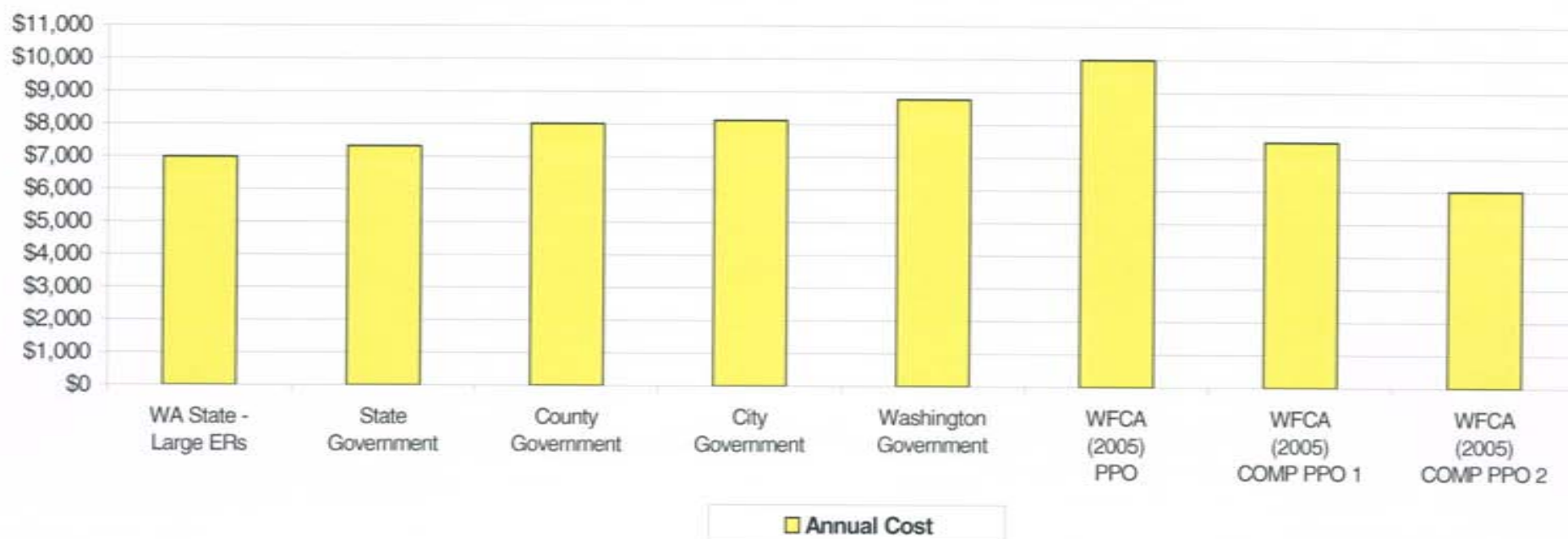
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BENCHMARKING ANALYSIS

2005 ~ PPO ~ AVERAGE MEDICAL PLAN COST PER ACTIVE EMPLOYEE

<u>PPO Plan</u>	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005) PPO	WFCA (2005) COMP PPO 1	WFCA (2005) COMP PPO 2
<i>Annual Cost</i>	\$6,990	\$7,322	\$8,013	\$8,127	\$8,773	\$10,003	\$7,509	\$6,015
<i>Per Month</i>	\$583	\$610	\$668	\$677	\$731	\$834	\$626	\$501

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



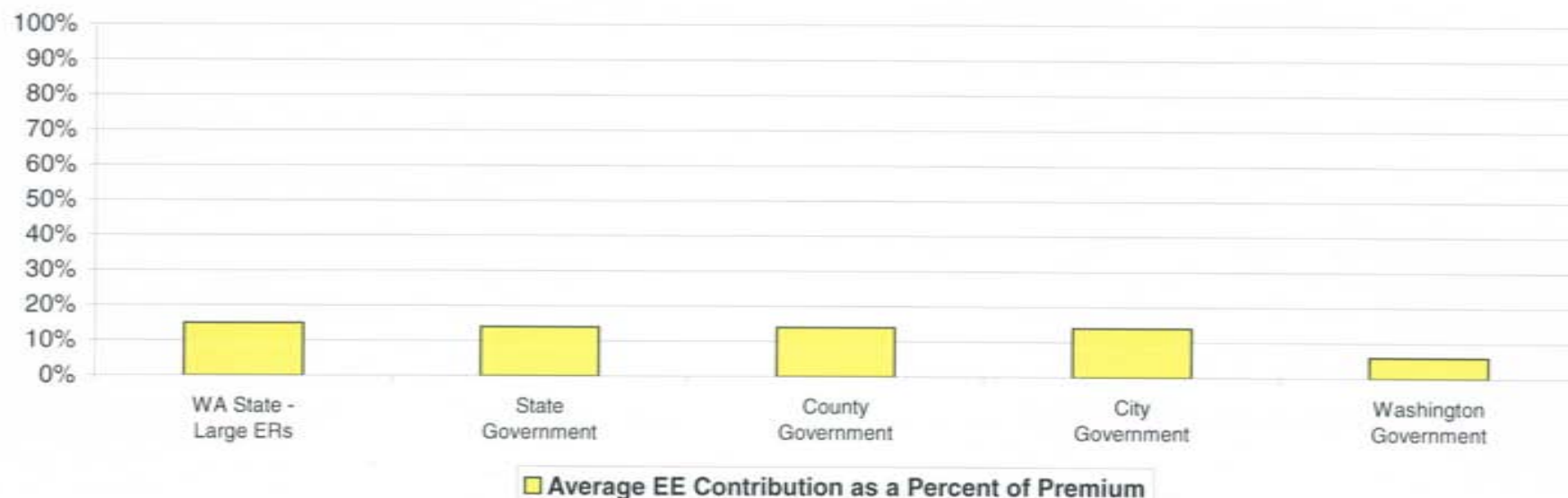
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BENCHMARKING ANALYSIS

2005 ~ PPO ~ AVERAGE EMPLOYEE CONTRIBUTION FOR EMPLOYEE ONLY COVERAGE

<u>PPO Plan</u>	WA State - Large ERs	State Government	County Government	City Government	Washington Government
No Contribution Required (% of Employers)	35%	26%	31%	36%	64%
Average Monthly Employee Contribution	\$54	\$54	\$58	\$58	\$37
Average EE Contribution as a Percent of Premium	15%	14%	14%	14%	6%

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



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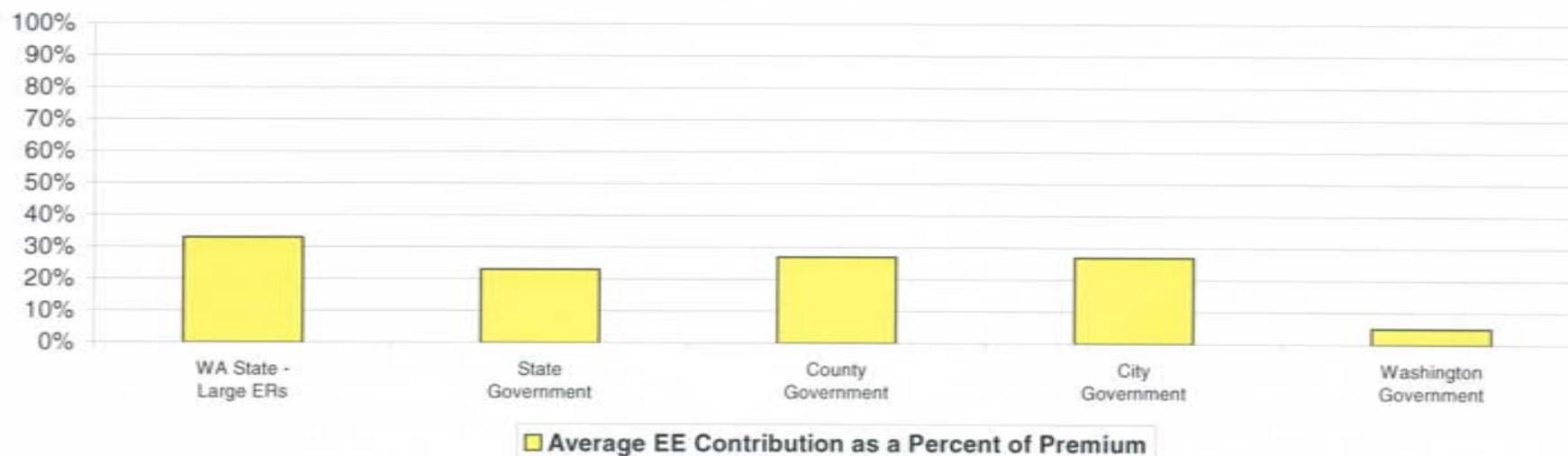
BENCHMARKING ANALYSIS

2005 ~ PPO ~ AVERAGE EMPLOYEE CONTRIBUTION FOR FAMILY* COVERAGE

<u>PPO Plan</u>	WA State - Large ERs	State Government	County Government	City Government	Washington Government
No Contribution Required (% of Employers)	13%	11%	11%	16%	36%
Average Monthly Employee Contribution	\$290	\$211	\$242	\$281	\$112
Average EE Contribution as a Percent of Premium	33%	23%	27%	27%	5%

* For Employee, Spouse and 2 Children

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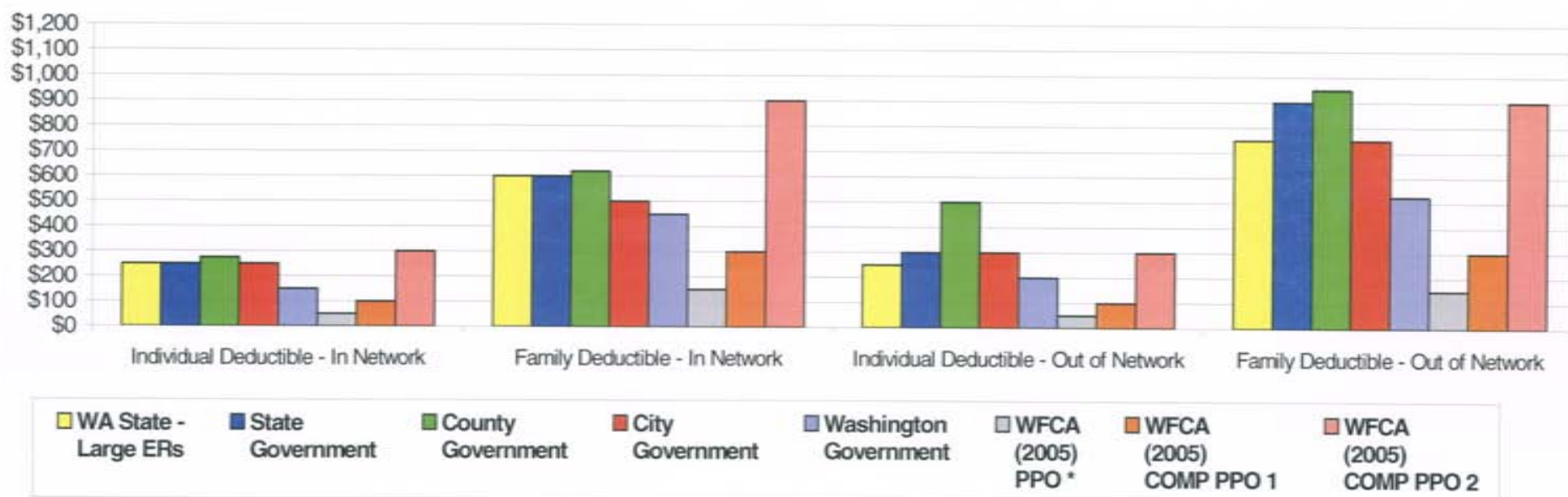
BENCHMARKING ANALYSIS

2005 ~ PPO ~ MEDIAN DEDUCTIBLE AMOUNT

PPO Plan:	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCOA (2005) PPO *	WFCOA (2005) COMP PPO 1	WFCOA (2005) COMP PPO 2
Individual Deductible - In Network	\$250	\$250	\$275	\$250	\$150	\$50	\$100	\$300
Family Deductible - In Network	\$600	\$600	\$620	\$500	\$450	\$150	\$300	\$900
Individual Deductible - Out of Network	\$250	\$300	\$500	\$300	\$200	\$50	\$100	\$300
Family Deductible - Out of Network	\$750	\$900	\$950	\$750	\$525	\$150	\$300	\$900

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.

* Employees have NO Deductible



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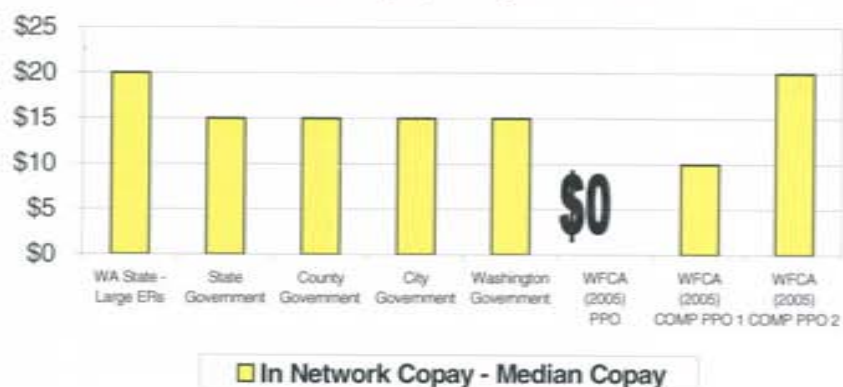
BENCHMARKING ANALYSIS

2005 ~ PPO ~ MEDIAN COPAY and COINSURANCE FOR PHYSICIAN OFFICE VISITS

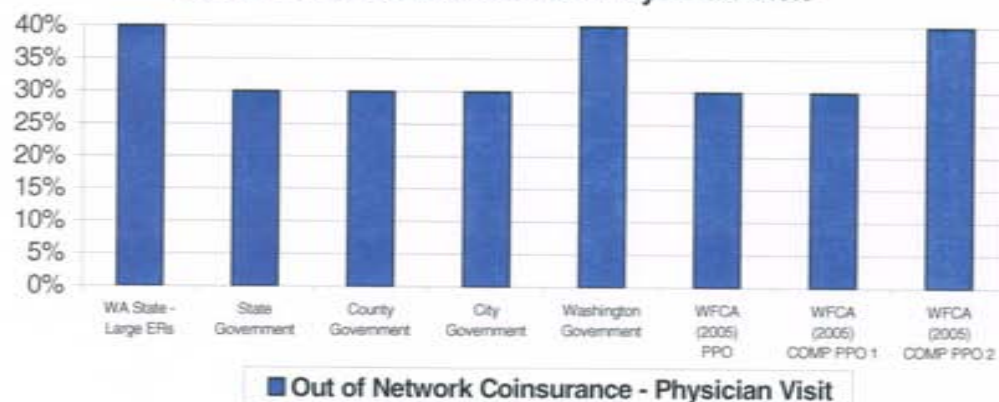
PPO Plan - Physician Visit	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005) PPO	WFCA (2005) COMP PPO 1	WFCA (2005) COMP PPO 2
In Network Copay Required (% of Employers)	81%	67%	80%	79%	75%	No	Yes	Yes
In Network Copay - Median Copay	\$20	\$15	\$15	\$15	\$15	\$0	\$10	\$20
In Network Coinsurance Required (% of ERs)	23%	41%	23%	20%	25%	No	Yes	Yes
Out of Network Coinsurance - Physician Visit	40%	30%	30%	30%	40%	30%	30%	40%

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.

In Network Copay - Physician Visit



Out of Network Coinsurance - Physician Visit



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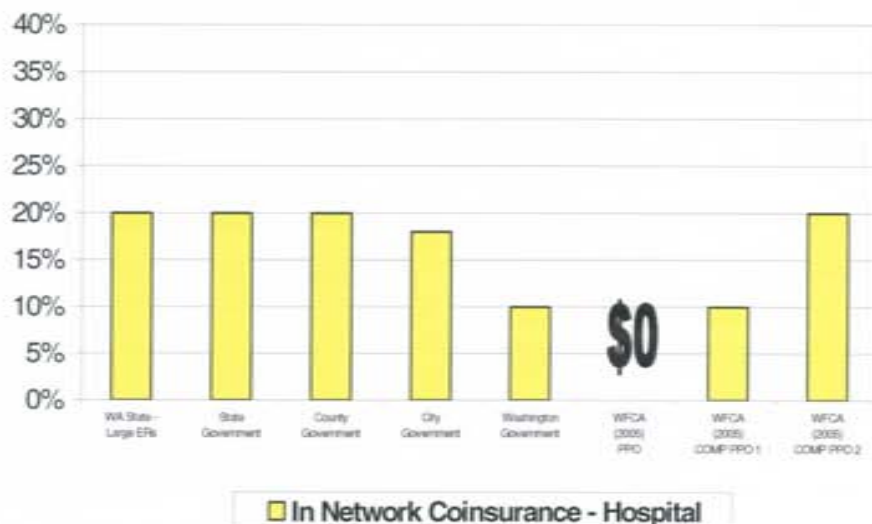
BENCHMARKING ANALYSIS

2005 ~ PPO ~ MEDIAN COINSURANCE FOR HOSPITAL STAY

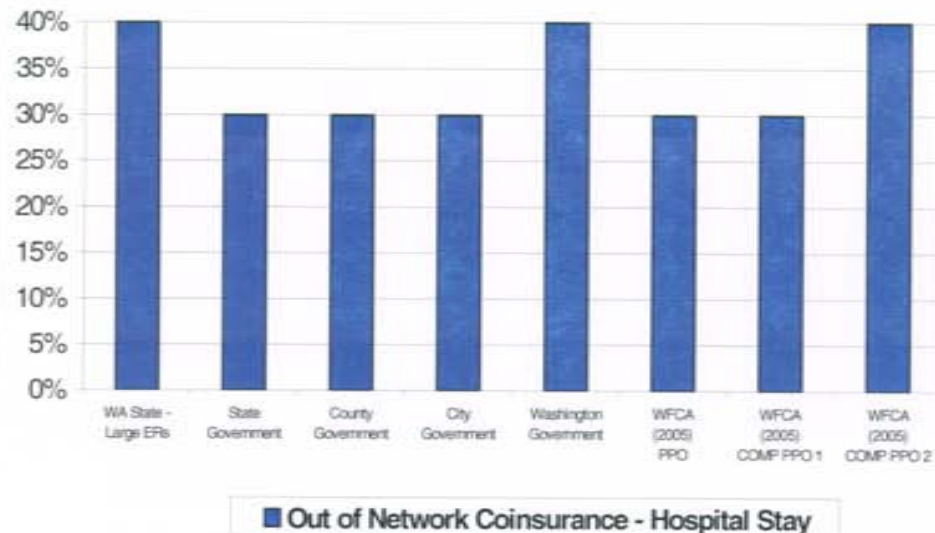
PPO Plan	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005) PPO	WFCA (2005) COMP PPO 1	WFCA (2005) COMP PPO 2
In Network Coinsurance - Hospital Stay	20%	20%	20%	18%	10%	0%	10%	20%
Out of Network Coinsurance - Hospital Stay	40%	30%	30%	30%	40%	30%	30%	40%

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.

In Network Coinsurance - Hospital Stay



Out of Network Coinsurance - Hospital Stay



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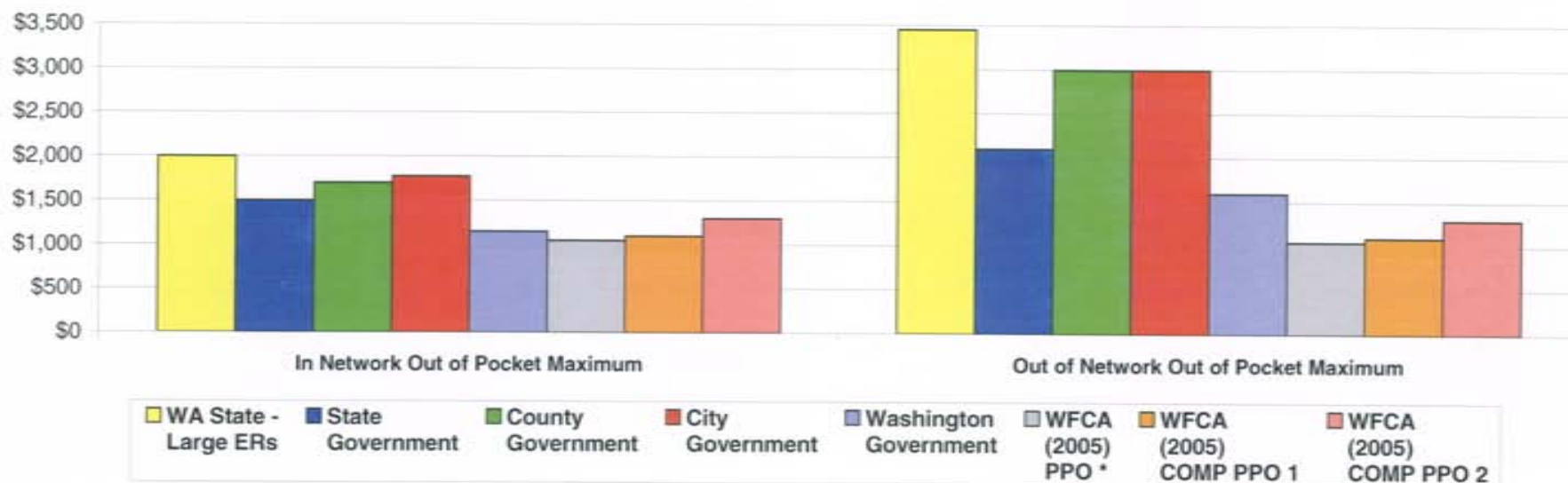
2005 - PPO - MEDIAN INDIVIDUAL OUT OF POCKET MAXIMUM

PPO Plan	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005) PPO *	WFCA (2005) COMP PPO 1	WFCA (2005) COMP PPO 2
In Network Out of Pocket Maximum	\$2,000	\$1,500	\$1,700	\$1,775	\$1,150	\$1,050	\$1,100	\$1,300
Out of Network Out of Pocket Maximum	\$3,450	\$2,100	\$3,000	\$3,000	\$1,600	\$1,050	\$1,100	\$1,300

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.

Note: Out of Pocket Maximum's include deductibles.

* Employees have NO Deductible; out of pocket is \$1,000 for Employee.



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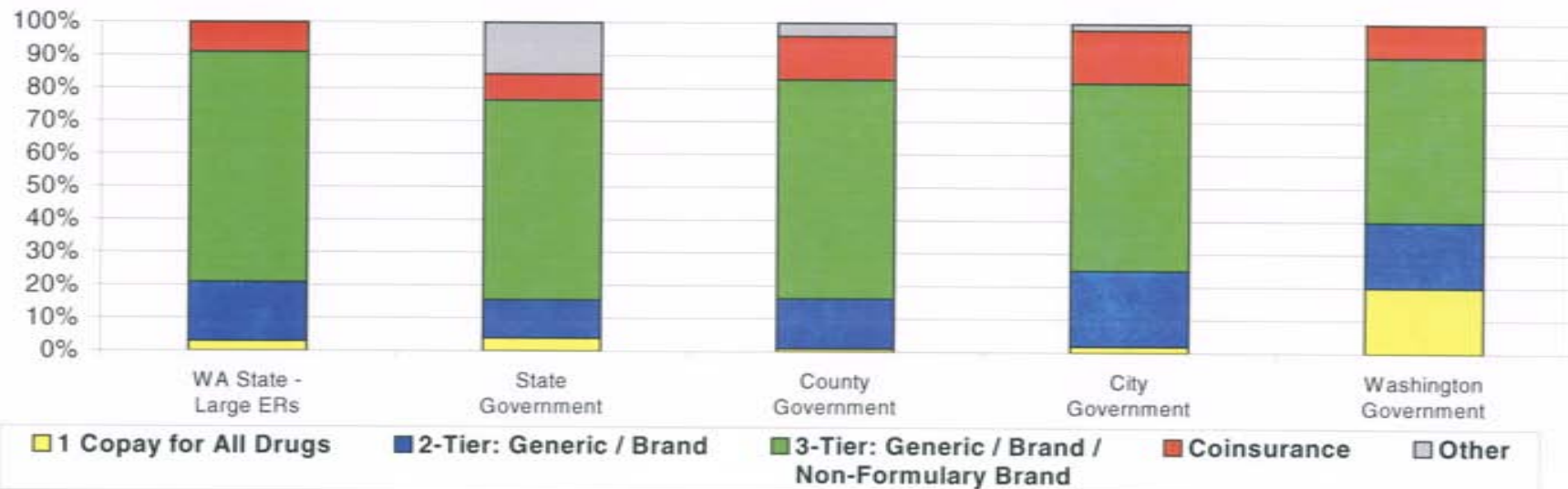
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BENCHMARKING ANALYSIS

2005 ~ PRESCRIPTION DRUG CARD (RETAIL PHARMACY) ~ COST SHARING ARRANGEMENTS

For the Employer's Largest Managed Care Plan, of any type.	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFOA (2005)
1 Copay for All Drugs	3%	4%	1%	2%	20%	-
2-Tier: Generic / Brand	18%	12%	15%	23%	20%	Yes
3-Tier: Generic / Brand / Non-Formulary Brand	70%	62%	66%	57%	50%	-
Coinsurance	9%	8%	13%	16%	10%	-
Other	0%	16%	4%	2%	0%	-

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



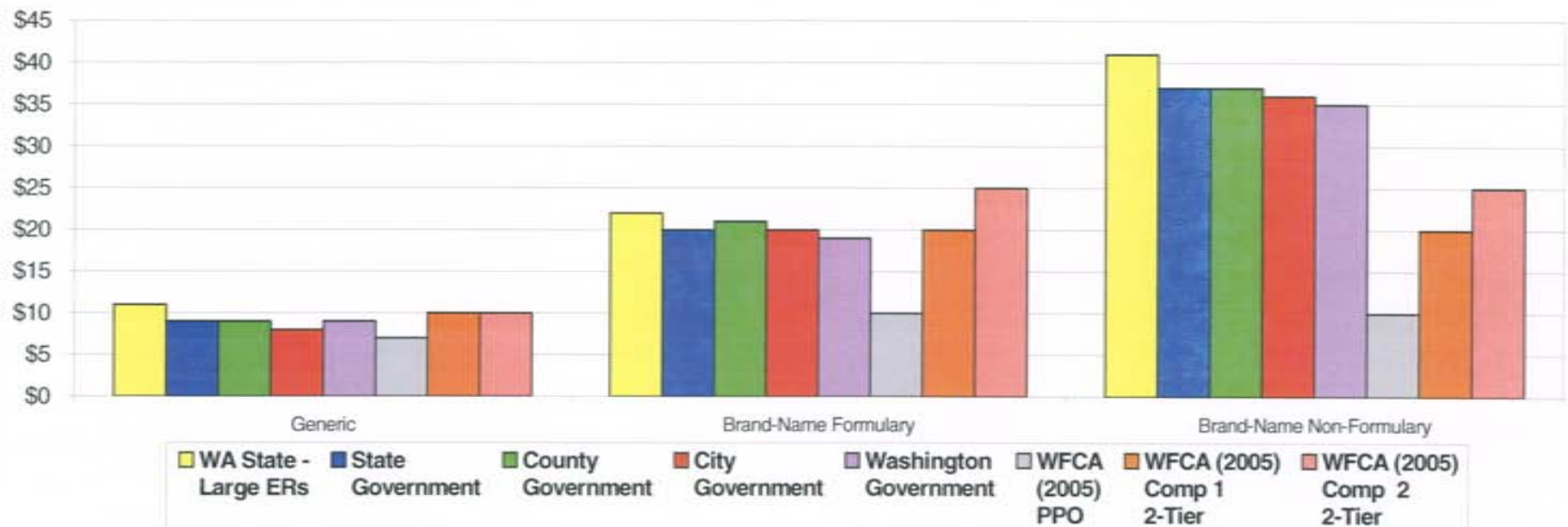
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BENCHMARKING ANALYSIS

2005 ~ 3-TIER PRESCRIPTION DRUG CARD (RETAIL PHARMACY) ~ AVERAGE COPAY

For the Employer's Largest Managed Care Plan, of any type.	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005) PPO	WFCA (2005) Comp 1 2-Tier	WFCA (2005) Comp 2 2-Tier
Generic	\$11	\$9	\$9	\$8	\$9	\$7	\$10	\$10
Brand-Name Formulary	\$22	\$20	\$21	\$20	\$19	\$10	\$20	\$25
Brand-Name Non-Formulary	\$41	\$37	\$37	\$36	\$35	\$10	\$20	\$25

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



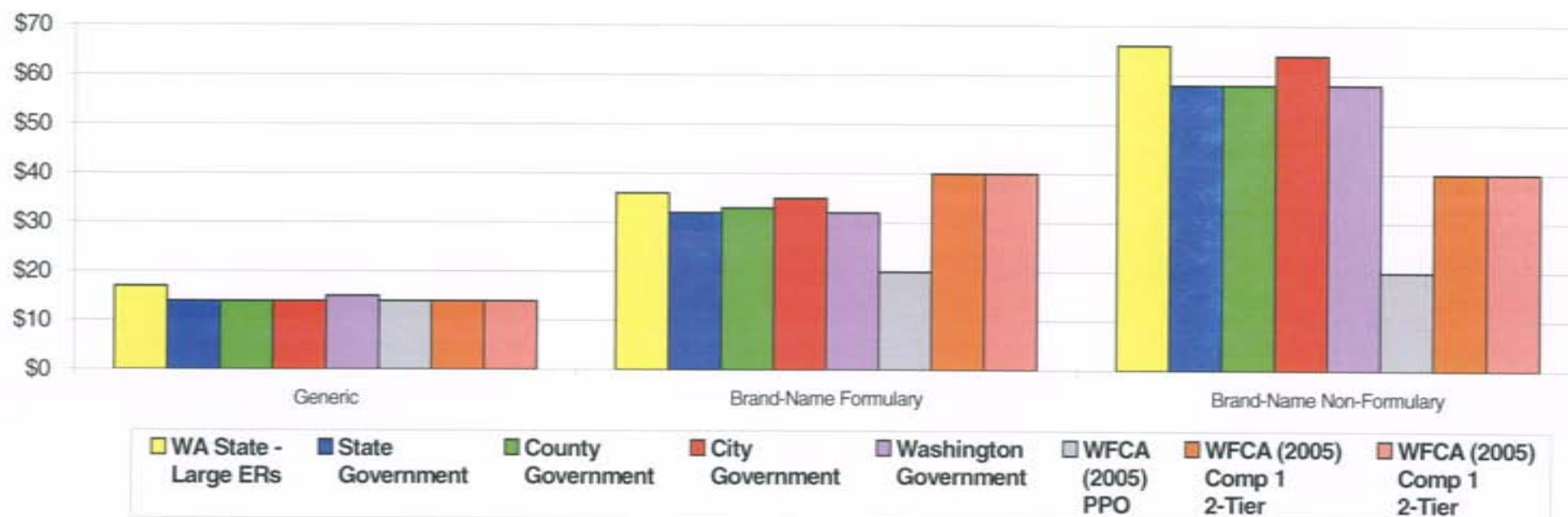
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BENCHMARKING ANALYSIS

2005 ~ 3-TIER MAIL ORDER PRESCRIPTION DRUG AVERAGE COPAY

For the Employer's Largest Managed Care Plan, of any type.	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005) PPO	WFCA (2005) Comp 1 2-Tier	WFCA (2005) Comp 1 2-Tier
Generic	\$17	\$14	\$14	\$14	\$15	\$14	\$14	\$14
Brand-Name Formulary	\$36	\$32	\$33	\$35	\$32	\$20	\$40	\$40
Brand-Name Non-Formulary	\$66	\$58	\$58	\$64	\$58	\$20	\$40	\$40

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



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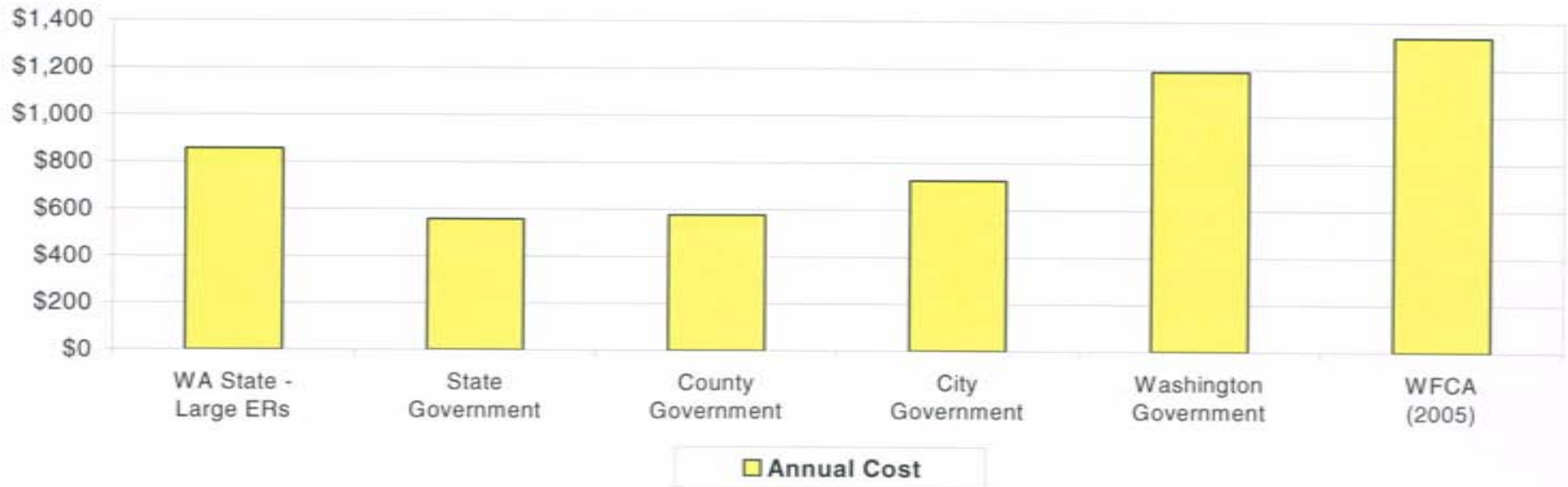
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BENCHMARKING ANALYSIS

2005 ~ DENTAL ~ AVERAGE DENTAL PLAN COST PER EMPLOYEE

<u>Dental Plan</u>	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005)
<i>Annual Cost</i>	\$858	\$558	\$578	\$726	\$1,189	\$1,336
<i>Per Month</i>	\$72	\$47	\$48	\$61	\$99	\$111

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



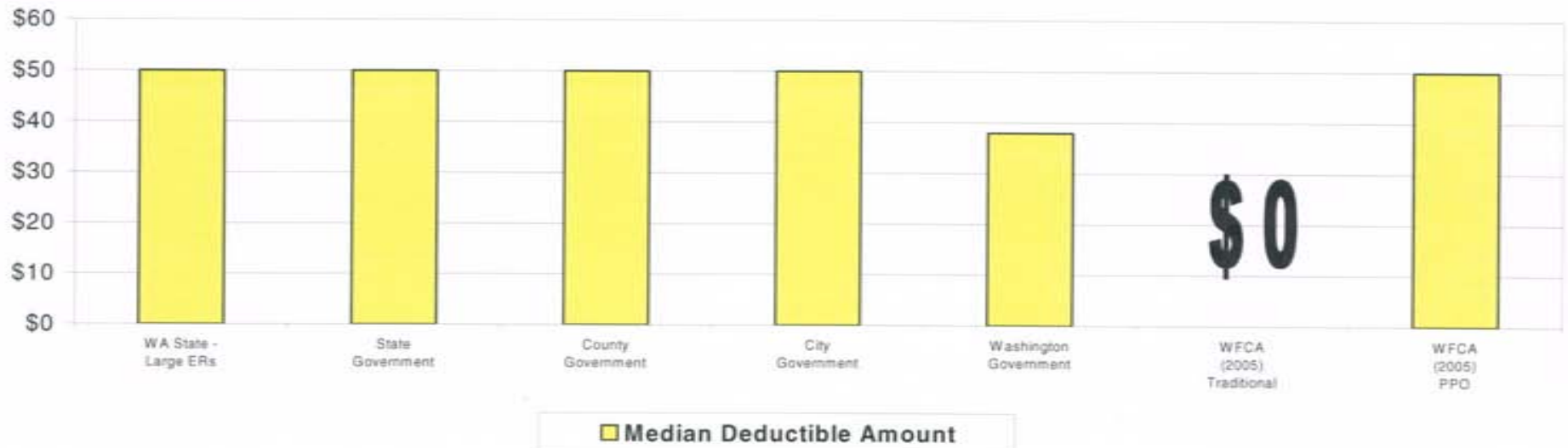
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BENCHMARKING ANALYSIS

2005 ~ DENTAL ~ MEDIAN DEDUCTIBLE AMOUNT

<u>Dental</u>	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFCA (2005) Traditional	WFCA (2005) PPO
Median Deductible Amount	\$50	\$50	\$50	\$50	\$38	\$0	\$50
Percent of Employers Requiring a Dental Deductible:	79%	54%	60%	57%	50%		

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



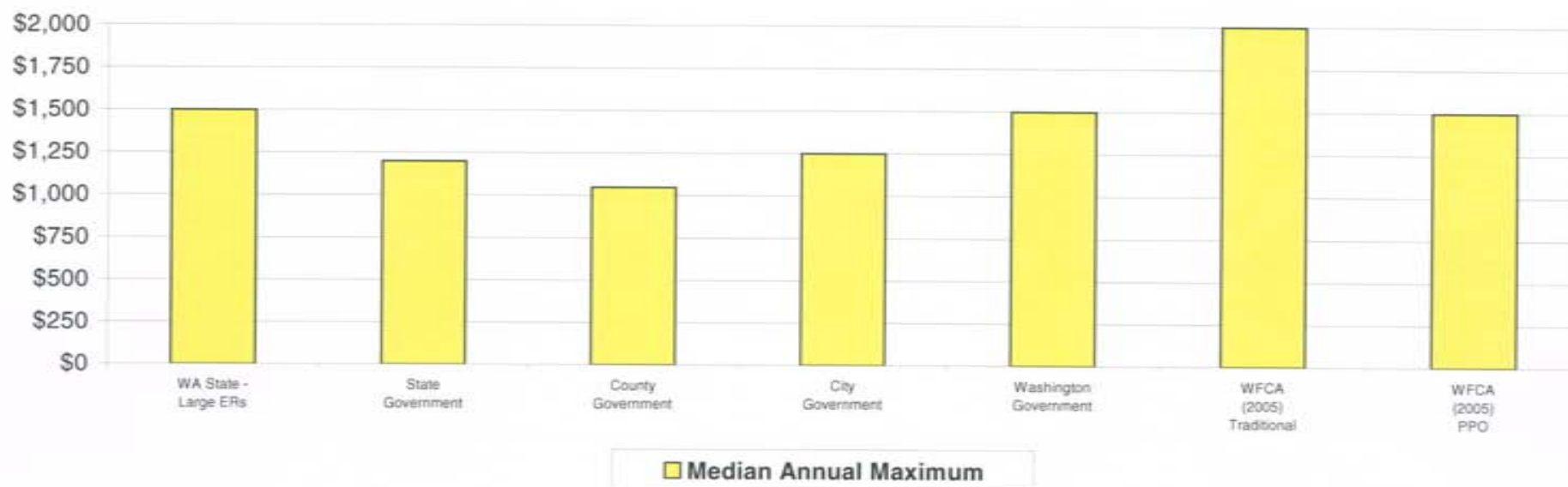
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BENCHMARKING ANALYSIS

2005 ~ DENTAL ~ MEDIAN ANNUAL MAXIMUM AMOUNT

<u>Dental</u>	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFOA (2005) Traditional	WFOA (2005) PPO
Median Annual Maximum	\$1,500	\$1,200	\$1,050	\$1,250	\$1,500	\$2,000	\$1,500

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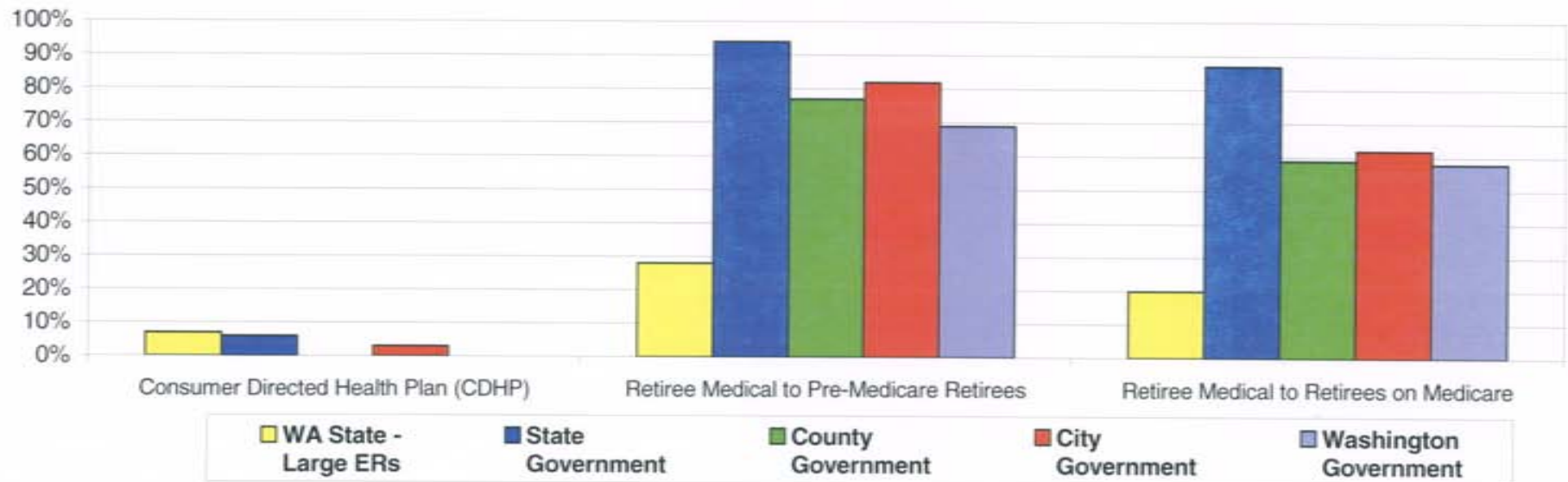
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BENCHMARKING ANALYSIS

2005 ~ PERCENTAGE OF EMPLOYERS OFFERING THE FOLLOWING:

<u>Percentage of Employers Offering the Following:</u>	WA State - Large ERs	State Government	County Government	City Government	Washington Government	WFOA
Consumer Directed Health Plan (CDHP)	7%	6%	0%	3%	0%	Yes - 2006
Retiree Medical to Pre-Medicare Retirees	28%	94%	77%	82%	69%	Yes
Retiree Medical to Retirees on Medicare	20%	87%	59%	62%	58%	Yes

Note: WA State Large Employers (ERs), State, County, and City Government include employers with 500 or more employees.



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